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Director

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS

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WASHINGTON, D.C. 20544

May 17, 2002

MEMORANDUM TO: JUDGES, UNITED STATES BANKRUPTCY COURTS
CLERKS, UNITED STATES BANKRUPTCY COURTS
BANKRUPTCY ADMINISTRATORS

SUBJECT: Further Extension of Chapter 12 of the Bankruptcy Code to January 1, 2003
(IMPORTANT INFORMATION)

This memorandum supplements my memorandum of May 14, 2002, referencing H.R. 4167 (P. L. 107-170, 116 Stat. 133), which the President signed into law on May 7, 2002. That bill extended chapter 12 of the Bankruptcy Code for eight months, retroactive from October 1, 2001 and ending on June 1, 2002. As indicated in the earlier memorandum, there was additional legislation pending which would further extend chapter 12. That legislation has been enacted.

On May 13, 2002, the President signed the Farm Security and Rural Investment Act of 2002 (P.L. 107-171, 116 Stat. 134), which extends chapter 12 an additional seven months, from June 1, 2002, through January 1, 2003.

Public Law 107-171 further amends the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 (P.L. 105-277 (1998)), to read, in part, as follows (emphasis added):

- (a) Chapter 12 of title 11 of the United States Code, as in effect on **May 31, 2002**, is hereby reenacted for the period beginning on **June 1, 2002**, and ending **January 1, 2003**.
- (b) All cases commenced or pending under chapter 12 of title 11, United States Code, as reenacted under subsection (a), and all matters and proceedings in or relating to such cases, shall be conducted and determined under such chapter as if such chapter were continued in effect after **January 1, 2003**.

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The substantive rights of parties in connection with such cases, matters, and proceedings shall continue to be governed under the law applicable to such cases, matters, and proceedings as if such chapter were continued in effect after **January 1, 2003**.

Thus, the net effect of both bills, read conjunctively, is to extend chapter 12 retroactively from October 1, 2001 through January 1, 2003. The expiration and retroactive reenactment of chapter 12 do not affect cases pending under that chapter of the Bankruptcy Code as of September 30, 2001.

As I noted in my earlier memorandum, the pending bankruptcy reform legislation would make chapter 12 a permanent feature of the Bankruptcy Code. We will continue to keep you apprised of further developments as they occur.

Should you have any questions about this issue, please contact the Bankruptcy Judges Division at (202) 502-1900 or the Bankruptcy Court Administration Division at (202) 502-1540.

A handwritten signature in black ink, appearing to read "Leonidas Ralph Mecham". The signature is fluid and cursive, with a long horizontal stroke at the end.

Leonidas Ralph Mecham
Director